

03-30-09

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
)
PUBLIC UTILITIES COMMISSION)
)
)
Instituting a Proceeding to Investigate the)
Implementation of Feed-in Tariffs)
_____)

Docket No. 2008-0273

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PUBLIC UTILITIES

HAWAII RENEWABLE ENERGY ALLIANCE RESPONSE
TO
INFORMATION REQUESTS SECOND SET
OF
THE NATIONAL REGULATORY RESEARCH INSTITUTE
AND
CERTIFICATE OF SERVICE

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INFORMATION REQUESTS SECOND SET

OF

THE NATIONAL REGULATORY RESEARCH INSTITUTE

Per the request in the Commission's letter, dated March 16, 2009, the Hawaii Renewable Energy Alliance ("HREA") respectfully offers in its response National Regulatory Research Institute ("NRRI") "Information Requests Second Set" and specifically to the last of the IRs as follows:

VII. IRs to Blue Planet Foundation and others (sic) parties contributing to the Schedule Fit

- 1. Please provide all documentation, calculations, and other analysis supporting the specific rates proposed on pages 4 – 9 of the Schedule FiT attached to Blue Planet's Opening Statement.**

HREA Response.

Since HREA did not provide any documentation, calculations, and other analysis to Blue Planet we cannot offer any comments in response.

2. To the extent that the specific rates proposed on pages 4 – 9 of the Schedule FiT attached to Blue Planet's Opening Statement are based on feed-in tariffs in other places, please describe:

- a. Which FiTs are being utilized for each of the proposed FiT rates**
- b. Whether the proposed FiTs are the same as those elsewhere, save use of collars instead of Euros. Please provide the exchange rate used to make such calculations.**
- c. The basis for any non-exchange rate adjustments from the FiT rates elsewhere.**

HREA Response.

See our response to question 1.

According to pages 10 and 11 of the Schedule FiT attached to the opening statement:

"Requests for interconnection of Renewable Energy Generating Facilities under this Schedule shall be administered on a first-ready, first-to-interconnect basis, modeled after the queuing procedures adopted by the Midwest Independent Transmission System Operator, Inc. See Midwest Independent Transmission System Operator ("Midwest ISO"), and conditionally accepted by the Federal Energy Regulatory Commission. See 124 FERC ¶ 61,183, Midwest Independent Transmission System Operator, Inc., docket No. ER08-1169-000, Order Conditionally Accepting Tariff Revisions and Addressing Queue Reform, August 25, 2008."

3. Please explain why the queuing procedures in Midwest ISO are preferable to those of other transmission organizations. Please list the essential elements of the Midwest ISO queuing procedures that you support Hawaii adopting.

HREA Response.

HREA defers to Zero Emissions on this response.

According to page 10 of the Schedule FiT attached to Blue Planet's Opening Statement, you support the term for FiT agreements to be 20 years for all eligible renewable energy technology.

4. **Why is 20 years the appropriate time period for FiT agreements? Provide all underlying calculations, workpapers, reports or other information supporting FiT agreements lasting 20 years.**

HREA Response.

Ironically, during two days of technical and settlement discussions on March 18 – 19, 2009, this is the **ONE** item that HECO and the Parties agreed to. See also HREA's response to HECO/HREA-IR-17 which was as follows:

"Typically, a 20 year term is justified based on a series of trade-offs the renewable industry makes in determining the overall economic viability of a project. These trade offs include: (i) a longer period which is needed to be as competitive as possible with conventional generation sources, which typically have design lives greater than 20 years; (ii) renewable systems are typically being designed for a 30 years life; and (iii) available project financing terms of 10 to 15 years. Thus, a 20-year term appears to represent a good compromise, including enough time for investors to make a fair return on their investment. "

DATED: March 30, 2009, Honolulu, Hawaii


President, HREA

CERTIFICATE OF SERVICE

The foregoing HREA Response to NRRI IRs was served on the date of filing by Hand Delivery or electronically transmitted to each such Party as follows.

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DATED: Honolulu, Hawaii, March 30, 2009